

EXHIBIT 1

IF YOU RENTED PUBLIC HOUSING OWNED BY THE VANCOUVER HOUSING AUTHORITY, A CLASS ACTION LAWSUIT MAY AFFECT YOUR RIGHTS

*A federal court authorized this notice. This is **not** a solicitation from a lawyer.*

Please read this notice carefully; it explains your legal rights and options. You will be affected whether you act or do nothing.

- A settlement has been reached with the Vancouver Housing Authority (“VHA”) to end a class action lawsuit about its Public Housing utility allowances. This settlement does not mean VHA violated any law or did anything wrong.
- The Court must now decide whether to approve the settlement.
- This notice has been mailed to all known persons who might be affected by this settlement.
- This notice explains your rights and how to exercise them.
- If the settlement is approved, VHA will create a settlement fund of \$488,824.02 for certain tenants who lived in Public Housing between April 1, 2004 and April 30, 2011. VHA will also annually review its utility allowances and make certain policy changes.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
Do NOTHING	Remain in the Damages Class, receive any payment you are entitled to under the settlement, and give up any rights to sue VHA separately about the same legal claims alleged in this case.
EXCLUDE YOURSELF (OPT OUT)	A member of the Damages Class may exclude him or herself from the settlement in order to file his or her own lawsuit against VHA. Those who do so get no share of the Settlement Fund. The deadline for excluding yourself is [INSERT DATE]. See Question 13 for information on how to do that.
OBJECT	Write to the Court about why you do not like the settlement. The deadline for objecting to the proposed settlement is [INSERT DATE]. See Question 15 for information on how to do that.
GO TO A HEARING	Ask to speak in Court about the fairness of the settlement. The deadline for notifying the Court and the parties that you wish to speak at the hearing is [INSERT DATE]. See Question 18 for information on how to do that.

**Questions? Call 1-800-260-6260 ext. 153 Toll Free, or Visit
www.columbialegal.org/vha-class-settlement**

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Basic Information

1. Why is this notice being provided?

A Court authorized this notice because you have a right to know about a proposed settlement that may affect your rights before the Court decides whether to give “final approval” to the settlement. This notice explains the litigation, the settlement, your legal rights, what benefits are available, and how to get them.

Judge [INSERT NAME] of the United States District Court for the Western District of Washington at Tacoma is overseeing this class action. The case is known as *McCullum et al. v. Vancouver Housing Authority*, No. [INSERT DOCKET NO.]. The tenants who sued are Annie McCullum, Nancy Ramey and Tami Romero. They are called the “Plaintiffs,” or “Class Representatives” and the party that they sued, the Vancouver Housing Authority, is called “VHA” or “Defendant.”

2. What is this litigation about?

The Plaintiffs allege that VHA failed to review and properly adjust its Public Housing utility allowances, causing VHA to collect more rent from certain Public Housing tenants between April 1, 2004 and April 30, 2011 than is permitted by federal law and in breach of its Public Housing leases. The lawsuit seeks damages (money) on behalf of a Damages Class to reimburse them for the amount of rent they overpaid and prejudgment interest. The lawsuit also seeks declaratory and injunctive relief to ensure that VHA reviews and adjusts its Public Housing utility allowances and takes other action consistent with federal law.

VHA denies the Plaintiffs’ allegations, and denies that any Class Members have suffered any damages.

The Court has not decided in favor of Plaintiffs or VHA at this time.

3. Why is this a class action?

In a class action, one or more people called “Class Representatives” sue on behalf of people who have similar claims. Here, the Class Representatives seek to represent two separate settlement classes: (1) a Damages Class; and (2) a Declaratory and Injunctive Relief Class. These two settlement classes are discussed further in Question 5. The Court has certified both classes for settlement purposes only. The Court has also appointed Columbia Legal Services as Class Counsel. The parties cannot settle a class action without giving notice to all Class Members and getting court approval. If approved, the settlement will resolve the claims of all members of both classes.

**Questions? Call 1-800-260-6260 ext. 153 Toll Free, or Visit
www.columbialegal.org/vha-class-settlement**

4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or VHA. Instead, both sides agreed to settle this case to avoid the cost and risk of litigation. The settlement does not mean that any law was violated or that the VHA did anything wrong. The parties entered into this settlement after participating in mediation before a retired state court judge and engaging in extensive arm's-length negotiations and informal discovery. The settlement allows both sides to avoid the risk and cost of lengthy litigation and the uncertainty of a trial and appeals, and it permits Class Members to be compensated without further delay. The Class Representatives and Class Counsel think the settlement is in the best interest of all Class Members.

Who Is Part of the Settlement

5. How do I know if I am part of the settlement?

Your rights are affected by this settlement if you are a member of either the Damages Class or the Declaratory and Injunctive Relief Class. Some tenants are members of both Settlement Classes.

You are a member of the Damages Class if as an adult head of household you (a) executed a lease and resided in VHA Public Housing anytime between April 1, 2004 and April 30, 2011; (b) paid an income-based or minimum rent; and (c) were responsible for tenant-paid utilities.

You are a member of the Declaratory and Injunctive Relief Class if as an adult head of household you (a) executed a lease and currently reside in Public Housing or Covered Housing owned by VHA or will execute a lease and reside in Public Housing while the settlement is in effect; (b) pay or will pay an income-based or minimum rent; and (c) are or will be responsible for tenant-paid utilities. Covered Housing is former Public Housing that has been or will be removed from the Public Housing program through the HUD Rental Assistance Demonstration Program, a voluntary disposition, or other action, where the tenants living in the units when this occurs continue to reside in these units with project-based vouchers. These units will only be considered Covered Housing so long as the tenants residing in these units at the time of removal from the Public Housing program continue to reside there.

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6. What if I am not sure whether I am included in the settlement?

If this notice was mailed to you, VHA records show that you are a member of at least one of the Settlement Classes, as identified on the cover letter you received with this notice. If you did not receive this notice by mail and are not sure whether you are in one of the Settlement Classes, or if you have any other questions about the settlement, you or your attorney may contact Columbia Legal Services, which was appointed Class Counsel. You can reach them toll-free at 1-800-260-6260, ext. 153. You may also write with questions to VHA Utility Allowance Class Action, Columbia Legal Services, 711 Capitol Way S., #304, Olympia, WA 98501, email them at vha.class-settlement@columbialegal.org, or visit their website: www.columbialegal.org/vha-class-settlement.

The Settlement Benefits

7. What monetary relief does the settlement provide?

- *First*, VHA will establish a settlement fund in the amount of \$488,824.02 from which it shall disburse settlement payments by check to most, but not all, members of the Damages Class. Not all members of the Damages Class are entitled to a share of the settlement fund because (1) their utility allowances were adjusted to keep pace with utility rates; or (2) rent refunds paid by VHA to tenants in January 2010, February 2010, and March 2011 and/or (3) setoffs for debts owed to VHA exceed the amount that would otherwise be due a particular tenant under the Settlement Agreement.
- *Second*, for each member of the Damages Class, Class Counsel has calculated the excess rent each Class Member paid according to Plaintiffs' theory of the case and measure of damages, factoring in pre-judgment interest based on a 2.4% interest rate. Although VHA disputes any damages to tenants, it has agreed in settlement to pay \$488,824.02 towards the damages that Plaintiffs claim are due, without admitting any liability. Plaintiffs then compared the total Settlement Fund of \$488,824.02 to the total balance they claim is due all Class Members. Plaintiffs computed this ratio to be approximately 59/100 (59%). The Parties have agreed that each Damages Class Member's Settlement Share will be the amount due him or her under Plaintiffs' theory of the case multiplied by this ratio. VHA shall disburse to each Damages Class Member a Settlement Payment equal to the Class Member's Settlement Share minus any setoffs or debts currently owed to VHA. This means that some Damages Class Members will not receive a Settlement Payment if his or her debt to VHA exceeds his or her Settlement Share. However, in such a situation, the Damages Class Member will receive a dollar-for-dollar reduction in his or her liability to VHA. For example, if a Damages Class Member's Settlement Share is \$1,000, but the Class Member has unpaid rent in the amount of \$1,200, the Class Member's Settlement Payment would be zero, but the Class Member's total outstanding rent liability would be reduced to \$200.

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www.columbialegal.org/vha-class-settlement**

A list showing each Damages Class Member's Settlement Share and any proposed setoffs is attached to the Settlement Agreement as Exhibit F. You will need to know your VHA Resident ID to ascertain your expected Settlement Payment, if any, before the Settlement is approved from Exhibit F. We are also sending letters with this notice to the last known addresses of all members of the Damages Class. This letter sets forth your VHA Resident ID, your share of the Settlement Fund, and whether VHA claims that you owe a debt that it plans to set off against all or a portion of your Settlement Share. If the settlement is approved, VHA will mail a Notice of Right to Class Action Settlement Payment to all members of the Damages Class showing their Settlement Payment, if any, and other relevant information.

- *Third*, members of the Damages Class shall have no right to contest the calculation of their Settlement Share as shown on Exhibit F, except in those instances where a Class Member can show there was a material mistake in VHA's records pertaining to the project and unit they resided in, the dates and duration of their tenancy, or the amount of any previous refunds or credits set off against debts allegedly owed VHA. A Class Member shall also have the right to contest any mathematical error that VHA makes in determining the Class Member's Settlement Payment.
- *Fourth*, there will be an opportunity for some Damages Class Members to dispute certain debts that VHA plans to set off against the Class Member's Settlement Share. This opportunity does not exist where the debt has been reduced to a judgment, where the Class Member already had a VHA hearing on the debt, or where the Class Member executed a repayment agreement acknowledging the debt. A Class Member who appeals a setoff must first meet with VHA to try to informally settle the dispute. If the parties cannot settle the dispute, the Class Member may have the appeal decided by the Court. To appeal, a Class Member must comply with various requirements and deadlines set forth in the Settlement Agreement. If the Settlement Agreement is approved, Class Members will be sent a notice explaining their appeal rights.
- *Fifth*, VHA agrees that it shall not seek to recover any of the rent refund payments it made to members of the Damages Class in January 2010, February 2010, or March 2011 or credited towards debts allegedly owed VHA, even if they exceed the payments now due under the proposed settlement.

8. What other relief does the settlement provide?

- As part of the proposed settlement, VHA has agreed that it will:
 - Annually review and, if necessary, adjust its utility allowances for both Public Housing and Covered Housing;
 - Revise its Public Housing utility allowances between annual reviews if utility rates increase by 10% or more;

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- Change its estimate of reasonable consumption of utilities by energy-conservative households residing in Public Housing only after giving written notice and an opportunity to comment to affected Class Members;
- Keep records showing that it has complied with the terms of the Settlement Agreement and permit inspection of these records by Class Members or their legal representatives;
- Allow Class Members to request individual relief in the form of a higher utility allowance as provided in the Settlement Agreement; and
- Include specific provisions in all future leases or lease addenda.

- This agreement will be in effect for 48 months from the Effective Date of the Settlement Agreement if approved. It can be enforced by any member of the Declaratory and Injunctive Relief Class, and it will apply to all of VHA's Public Housing units. It will also be enforceable by those tenants residing in former Public Housing units converted to project-based vouchers for as long as those tenants continue to reside in the converted units.

9. What will Class Counsel and the Class Representatives get under the settlement?

VHA will pay up to, but no more than, a total of \$110,000.00 in attorneys' fees and costs, including incentive payments for the Class Representatives. No Class Representative will receive an incentive payment unless approved by the Court. The size of any Class Representative's incentive payment will be determined by the Court but cannot exceed \$2,500.00. The attorneys' fees, costs, and incentive fees will be paid by VHA in addition to the Settlement Fund.

The Court must approve any award of attorneys' fees and costs, including incentive payments. Class Counsel will be filing a motion for attorneys' fees and costs, including incentive payments, which will be heard by the Court at the Fairness Hearing. This motion and supporting documentation and any response by VHA or Class Members will be available at the courthouse and on Columbia Legal Services' website, www.columbialegal.org/vha-class-settlement, by no later than [INSERT DATE].

Except for any incentive payments awarded by the Court, the share of the Settlement Fund going to the Class Representatives will be calculated in the same manner as that of other Class Members.

If you have any concerns about the attorneys' fees, costs, or incentive payments, you can write the Court when you file your objections. In addition, you or your attorney can file a response to the motion for attorneys' fees, costs, and incentive payments. See Questions 15, 16, and 18 for more information on the deadlines for filing objections and responses to the attorneys' fees motion.

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www.columbialegal.org/vha-class-settlement**

10. What am I giving up as part of the settlement?

If the settlement becomes final, Class Members will release VHA from all of the settled claims. The settled claims are all claims seeking damages (money) and injunctive relief (a change in practices) arising from or relating to the facts giving rise to the subject matter of the litigation, as described in the Settlement Agreement. This means you will no longer be able to sue VHA regarding any of the settled claims described in the Settlement Agreement if you are a Class Member. The full text of the Settlement Agreement is available on Columbia Legal Services' website, www.columbialegal.org/vha-class-settlement.

11. Are the settlement benefits available now?

No. These benefits will become available only if the Court approves the settlement. If the Court approves the settlement, VHA will send a Notice of Right to Class Action Settlement Payment to all members of the Damages Class informing them of their right, if any, to a share of the Settlement Fund. This payment notice will be mailed within thirty (30) days of the Effective Date of the Final Order and Judgment approving the settlement. VHA will disburse payments within sixty (60) after the payment notice is mailed, unless a Class Member files an appeal. In that case, VHA will disburse payment within fifteen (15) days of any settlement of the appeal, within fifteen (15) days after the deadline for appealing a termination of appeal letter, or within thirty (30) days of the final resolution of the appeal by the Court.

VHA will also notify members of the Declaratory and Injunctive Relief Class of any non-monetary relief approved by the Court. This will also be done within thirty (30) days of the Effective Date of the Final Judgment and Order approving the settlement. VHA has also agreed to provide notice to new tenants when they execute their first lease and will post a copy of the notice at its main office and on its website.

The Lawyers Representing You

12. Do I have a lawyer in the case?

The Court has appointed Columbia Legal Services as Class Counsel. Class Counsel has a legal and ethical obligation to represent the interests of all members of the Settlement Classes. You will not be charged for these lawyers' work. Under the proposed settlement, VHA will pay some of their attorneys' fees and costs, provided the Court approves the award. If you want to be represented by your own lawyer in this case, you may hire one at your own expense.

**Questions? Call 1-800-260-6260 ext. 153 Toll Free, or Visit
www.columbialegal.org/vha-class-settlement**

Excluding Yourself from the Damages Class and Settlement

13. How do I opt out (exclude myself) from the Damages Class and Settlement?

If you are a member of the Damages Class and do not want a payment from this settlement, and would prefer to keep the right to sue VHA on your own about the same issues in this case, then you must take steps to opt out or exclude yourself from the Damages Class and settlement using the attached Damages Class Opt-Out Form.

To opt out or exclude yourself, you must send the fully completed and signed Opt-Out Form, **postmarked no later than [INSERT DATE]**, to:

VHA Utility Allowance Class Action
EXCLUSIONS
c/o COLUMBIA LEGAL SERVICES
711 Capitol Way S., #304
Olympia, WA 98501

You cannot opt out or exclude yourself on the phone or by e-mail. Mass or class opt-outs or exclusions are prohibited.

If you ask to be excluded, you are not eligible to get any settlement payment, you cannot file any objections to the monetary terms of the settlement, and you will not be legally bound by anything that happens in this lawsuit pertaining to the monetary claims being asserted on behalf of the Damages Class.

IMPORTANT: We recommend that you consult an attorney before excluding yourself from the Damages Class and settlement. If you choose to opt out and exclude yourself from the Damages Class and settlement, you should be aware that your claims, if any, must be asserted in a timely manner or may be barred by applicable statute of limitations. You may also be subject to various affirmative defenses which VHA has waived for purposes of this lawsuit.

***NO REQUEST FOR EXCLUSION WILL BE VALID UNLESS POSTMARKED BY
[INSERT DATE].***

14. Can I opt out and exclude myself from the Declaratory and Injunctive Relief Class?

No. Under the Federal Rules of Civil Procedure, members of the Declaratory and Injunctive Class cannot opt out and exclude themselves from this lawsuit. You can, however, object to the terms and conditions of the proposed settlement agreement if you believe it is not adequate, fair, or reasonable.

**Questions? Call 1-800-260-6260 ext. 153 Toll Free, or Visit
www.columbialegal.org/vha-class-settlement**

Objecting to the Settlement

15. How do I tell the Court that I do not like the settlement or award of attorneys' fees and costs, including incentive payments?

You can object to the settlement if you do not like it, or any part of it. You must give reasons why you think the Court should not approve the settlement. To object, you must send a letter saying that you object to the proposed settlement in *McCullum et al. v. Vancouver Housing Authority*, No. [INSERT DOCKET NO.]. Be sure to include your name, address, telephone number, and signature, copies of any documents you have proving that you are a Class Member, and the reasons why you object to the settlement. You or your attorney can also file a response to the motion for attorneys' fees, costs, and incentive payments. Mail the objection and any separate response to the motion for attorneys' fees, costs, and incentive payments to each of the three places listed below so that any objection or response is **postmarked no later than [INSERT DATE]**.

COURT	CLASS COUNSEL	VHA COUNSEL
Clerk, United States District Court for the Western District of Washington at Tacoma Union Station Courthouse 1717 Pacific Avenue Tacoma, WA 98402	Columbia Legal Services 711 Capitol Way S., #304 Olympia, WA 98501	Adrian Winder Foster Pepper PLLC 1111 Third Ave., Suite 3400 Seattle, WA 98101

The Court's Fairness Hearing

16. When and where will the Court decide whether to approve the settlement?

To decide whether or not to approve the settlement, the Court will hold a Fairness Hearing at [INSERT TIME] on [INSERT DATE], at the United States District Court for the Western District of Washington at Tacoma, Union Station Courthouse, 1717 Pacific Avenue, Tacoma, Washington 98402. At the Fairness Hearing, the Court will consider whether the proposed settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing, with proper notice (described in Question 18).

All documents supporting approval of the settlement and any objections must be filed with the Court before the Fairness Hearing. Class Counsel will post all supporting documents and any responses, including objections, on its website at www.columbialegal.org/vha-class-settlement. The Court will also consider Class Counsel's request for attorneys' fees and costs, as well as incentive payments to the Class Representatives. We do not know how long the hearing will take or whether the Court will make its decision about the settlement on the day of the hearing or sometime later.

**Questions? Call 1-800-260-6260 ext. 153 Toll Free, or Visit
www.columbialegal.org/vha-class-settlement**

17. Do I have to come to the hearing?

No, you are not required to attend the Fairness Hearing. However, you are welcome to attend the hearing. If you send in a written objection, you do not have to come to the Fairness Hearing to talk about it. As long as you mailed your written objection and it was received on time, the Court will consider it. You also may pay your own lawyer to attend the Fairness Hearing, but it is not necessary for your lawyer to attend.

18. May I speak at the hearing?

To speak at the Fairness Hearing, you or your attorney must send a letter or other written document stating that the letter or document is your "Notice of Intent to Appear" in *McCullum et al. v. Vancouver Housing Authority*, No. [INSERT DOCKET NO.]. Be sure to include your name, address, telephone number, signature, and copies of any documents you have proving that you are a Class Member. Send your Notice of Intent to Appear so that it is postmarked no later than [INSERT DATE]. The Notice of Intent to Appear must be mailed to the Clerk of the Court, Class Counsel, and VHA Counsel, at the three addresses given in Question 15 of this Notice.

If You Do Nothing

19. What happens if I do nothing at all?

If you are a Class Member and do nothing and the Court approves the settlement, you will obtain the benefits described in Questions 7 and 8. You will not be able to start a lawsuit or be part of any other lawsuit against VHA about the claims in this case.

**Questions? Call 1-800-260-6260 ext. 153 Toll Free, or Visit
www.columbialegal.org/vha-class-settlement**

Getting More Information

20. How do I get more information about the settlement?

This notice briefly summarizes the proposed settlement. More details are in the Settlement Agreement which has been filed with the Court. You can also view or download a copy of the Settlement Agreement from Class Counsel's website at www.columbialegal.org/vha-class-settlement.

Class Counsel will be holding at least two meetings to discuss the proposed settlement with Class Members at the [insert location] located at [insert street address], Vancouver, Washington. The first meeting will be held on [INSERT DATE] at 1:00 P.M. The second meeting will be held on [INSERT DATE] at 6:00 P.M.

You or your attorney may also contact Class Counsel by phone, mail, or email at:

Columbia Legal Services
711 Capitol Way S., #304
Olympia, WA 98501
1-800-260-6260 (toll-free) ext. 153
360-943-6260 ext. 153
Email: yha.class-settlement@columbialegal.org
Website: www.columbialegal.org/vha-class-settlement

DATED: [INSERT DATE]

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON AT TACOMA

***Please do not call the Court or the Clerk of the Court for additional information.
They cannot answer your questions or provide legal advice.***

**Questions? Call 1-800-260-6260 ext. 153 Toll Free, or Visit
www.columbialegal.org/vha-class-settlement**

DAMAGES CLASS OPT-OUT FORM

McCullum, et al. v Vancouver Housing Authority Utility Allowance Class Action Lawsuit

**This form EXCLUDES you from the Damages Class in this Class Action lawsuit.
DO NOT use this form if you wish to remain IN the Damages Class.**

Name: _____ Resident ID: _____
(As shown on Class Notice)

Address: _____
Street _____ City _____ State _____ Zip Code _____

Telephone: _____ (optional)

If you opt out of the Damages Class, you are not eligible to get any settlement payment, you cannot file any objections to the monetary terms of the settlement, and you will not be legally bound by anything that happens in this lawsuit pertaining to the monetary claims being asserted on behalf of the Damages Class. See Question 13 of the Notice of Proposed Class Action Settlement for other important information regarding the consequences of returning this Damages Class Opt-Out Form.

I understand that by opting out, I will not be eligible to receive any money that may result from the settlement or trial of this lawsuit.

I certify under penalty of law that I am the Class Member identified on this Form, that I am over the age of eighteen, and that I wish to be excluded from the Damages Class.

Signature of Class Member

Date Signed

Printed Name of Class Member

This Form must be completed, signed, and sent via first-class mail, postage prepaid to:

VHA Utility Allowance Class Action
EXCLUSIONS
c/o COLUMBIA LEGAL SERVICES
711 Capitol Way S., #304
Olympia, WA 98501

Your Completed Damages Class Opt-Out Form Must Be Postmarked By [DATE].

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